Sum-of-the-Parts Valuation Summary

Sample Corp

	DCF	Comps (Median)	Precedents (Median)	Selected Value	Weight
SEGMENT ENTERPRISE VALUES					
Precision Components	270	444	507	369	*50/30/20*
Automation Solutions	113	262	236	182	*50/30/20*
Industrial Services	175	218	275	208	*50/30/20*
Total Segment Value	**557**	**924**	**1,018**	**759**	
ADJUSTMENTS TO ENTERPRISE VALUE					
Less: Corporate Cost Capitalization				(64)	
Total Enterprise Value				**695**	
Less: Net Debt				(72)	
Equity Value				**623**	
Shares Outstanding (M)				25.0	
Implied Price Per Share				**$24.94**	
IMPLIED VALUATION MULTIPLES					
EV / LTM EBITDA				12.6x	
EV / LTM Revenue				2.3x	
VALUATION RANGE (FOOTBALL FIELD)					
DCF (SOTP)	474	557	641		
Comparable Companies	786	924	1,063		
Precedent Transactions	865	1,018	1,170		
Selected (Blended)	646	759	873		

Segment Financial Summary

Sample Corp

($M)	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
PRECISION COMPONENTS								
Revenue	135	140	145	149	154	158	163	168
EBITDA	24	26	28	29	30	32	33	34
EBITDA Margin %	18.0%	18.5%	19.0%	19.5%	19.5%	20.0%	20.0%	20.0%
Depreciation & Amortization	5	6	6	6	6	6	7	7
EBIT	**19**	**20**	**22**	**23**	**24**	**25**	**26**	**27**
AUTOMATION SOLUTIONS								
Revenue	72	83	95	106	118	130	142	153
EBITDA	9	11	13	15	17	19	22	24
EBITDA Margin %	11.9%	13.0%	13.5%	14.0%	14.5%	15.0%	15.5%	16.0%
Depreciation & Amortization	3	3	3	4	4	5	5	5
EBIT	**6**	**8**	**9**	**11**	**13**	**15**	**17**	**19**
INDUSTRIAL SERVICES								
Revenue	54	58	65	69	73	77	82	87
EBITDA	12	13	15	16	17	19	20	21
EBITDA Margin %	22.0%	22.6%	23.1%	23.5%	23.5%	24.0%	24.0%	24.0%
Depreciation & Amortization	2	2	2	2	2	2	2	3
EBIT	**10**	**11**	**13**	**14**	**15**	**16**	**17**	**18**
CONSOLIDATED TOTALS								
Total Revenue	**261**	**281**	**305**	**325**	**345**	**366**	**387**	**408**
Total EBITDA	**45**	**50**	**55**	**60**	**64**	**70**	**74**	**79**
Consolidated EBITDA Margin	17.2%	17.7%	18.2%	18.5%	18.6%	19.1%	19.2%	19.4%

DCF Valuation: Precision Components

Sample Corp

($M)	2026E	2027E	2028E	2029E	2030E	Terminal
PROJECTED FINANCIALS						
Revenue	149	154	158	163	168	
Revenue Growth %	3.0%	3.0%	3.0%	3.0%	3.0%	
EBITDA	29	30	32	33	34	
EBITDA Margin %	19.5%	19.5%	20.0%	20.0%	20.0%	
UNLEVERED FREE CASH FLOW						
EBIT	23	24	25	26	27	
Less: Taxes on EBIT	(6)	(6)	(6)	(7)	(7)	
NOPAT	**17**	**18**	**19**	**20**	**20**	
Plus: D&A	6	6	6	7	7	
Less: Capital Expenditures	(5)	(5)	(6)	(6)	(6)	
Less: Change in NWC	(0)	(0)	(0)	(0)	(0)	
Unlevered Free Cash Flow	**18**	**18**	**19**	**20**	**21**	
TERMINAL VALUE (GORDON GROWTH)						
Terminal Year FCF						21
Terminal Growth Rate						2.0%
WACC						9.0%
Terminal Value						**300**
Implied TV/EBITDA Multiple						8.9x
PRESENT VALUE CALCULATION						
Discount Factor	0.917	0.842	0.772	0.708	0.650	0.650
PV of Free Cash Flow	16	15	15	14	13	
PV of Terminal Value						195
SEGMENT ENTERPRISE VALUE						
Sum of PV of FCFs	74					
PV of Terminal Value	195					
Segment Enterprise Value	**270**					
Implied EV/EBITDA (LTM)	9.8x					
Implied EV/Revenue (LTM)	1.9x					
Terminal Value as % of EV	72.4%					

DCF Valuation: Automation Solutions

Sample Corp

($M)	2026E	2027E	2028E	2029E	2030E	Terminal
PROJECTED FINANCIALS						
Revenue	106	118	130	142	153	
Revenue Growth %	12.0%	11.0%	10.0%	9.0%	8.0%	
EBITDA	15	17	19	22	24	
EBITDA Margin %	14.0%	14.5%	15.0%	15.5%	16.0%	
UNLEVERED FREE CASH FLOW						
EBIT	11	13	15	17	19	
Less: Taxes on EBIT	(3)	(3)	(4)	(4)	(5)	
NOPAT	**8**	**10**	**11**	**13**	**14**	
Plus: D&A	4	4	5	5	5	
Less: Capital Expenditures	(5)	(6)	(6)	(7)	(8)	
Less: Change in NWC	(1)	(1)	(1)	(1)	(1)	
Unlevered Free Cash Flow	**6**	**7**	**8**	**9**	**11**	
TERMINAL VALUE (GORDON GROWTH)						
Terminal Year FCF						11
Terminal Growth Rate						3.0%
WACC						11.0%
Terminal Value						**140**
Implied TV/EBITDA Multiple						5.7x
PRESENT VALUE CALCULATION						
Discount Factor	0.901	0.812	0.731	0.659	0.593	0.593
PV of Free Cash Flow	5	6	6	6	6	
PV of Terminal Value						83
SEGMENT ENTERPRISE VALUE						
Sum of PV of FCFs	29					
PV of Terminal Value	83					
Segment Enterprise Value	**113**					
Implied EV/EBITDA (LTM)	8.8x					
Implied EV/Revenue (LTM)	1.2x					
Terminal Value as % of EV	74.1%					

DCF Valuation: Industrial Services

Sample Corp

($M)	2026E	2027E	2028E	2029E	2030E	Terminal
PROJECTED FINANCIALS						
Revenue	69	73	77	82	87	
Revenue Growth %	6.0%	6.0%	6.0%	6.0%	6.0%	
EBITDA	16	17	19	20	21	
EBITDA Margin %	23.5%	23.5%	24.0%	24.0%	24.0%	
UNLEVERED FREE CASH FLOW						
EBIT	14	15	16	17	18	
Less: Taxes on EBIT	(4)	(4)	(4)	(4)	(5)	
NOPAT	**11**	**11**	**12**	**13**	**14**	
Plus: D&A	2	2	2	2	3	
Less: Capital Expenditures	(2)	(2)	(2)	(2)	(2)	
Less: Change in NWC	(0)	(0)	(0)	(0)	(0)	
Unlevered Free Cash Flow	**11**	**11**	**12**	**13**	**14**	
TERMINAL VALUE (GORDON GROWTH)						
Terminal Year FCF						14
Terminal Growth Rate						2.5%
WACC						9.5%
Terminal Value						**203**
Implied TV/EBITDA Multiple						9.7x
PRESENT VALUE CALCULATION						
Discount Factor	0.913	0.834	0.762	0.696	0.635	0.635
PV of Free Cash Flow	10	9	9	9	9	
PV of Terminal Value						129
SEGMENT ENTERPRISE VALUE						
Sum of PV of FCFs	46					
PV of Terminal Value	129					
Segment Enterprise Value	**175**					
Implied EV/EBITDA (LTM)	11.7x					
Implied EV/Revenue (LTM)	2.7x					
Terminal Value as % of EV	73.5%					

Comparable Company Analysis

Sample Corp

Precision Components COMPARABLES

Company	EV/EBITDA	EV/Revenue	EBITDA Margin %
Parker Hannifin	14.2x	2.8x	18.5%
Illinois Tool Works	16.1x	3.2x	20.2%
Roper Technologies	18.5x	4.1x	22.0%
Ametek Inc.	17.3x	3.5x	21.0%
Nordson Corp.	15.8x	3.0x	19.5%
Mean	**16.4x**	**3.3x**	**20.2%**
Median	**16.1x**	**3.2x**	**20.2%**
High	18.5x	4.1x	22.0%
Low	14.2x	2.8x	18.5%
Implied EV (Median EV/EBITDA)	**444**		

Automation Solutions COMPARABLES

Company	EV/EBITDA	EV/Revenue	EBITDA Margin %
Rockwell Automation	20.5x	4.2x	15.0%
Emerson Electric	14.8x	2.8x	18.0%
Fortive Corp.	18.2x	3.5x	16.5%
Cognex Corp.	25.0x	5.0x	12.0%
Brooks Automation	22.0x	4.5x	14.0%
Mean	**20.1x**	**4.0x**	**15.1%**
Median	**20.5x**	**4.2x**	**15.0%**
High	25.0x	5.0x	18.0%
Low	14.8x	2.8x	12.0%
Implied EV (Median EV/EBITDA)	**262**		

Industrial Services COMPARABLES

Company	EV/EBITDA	EV/Revenue	EBITDA Margin %
Cintas Corp.	19.0x	4.0x	24.0%
Waste Connections	16.5x	3.8x	22.5%
Clean Harbors	10.5x	1.8x	15.0%
US Ecology	12.0x	2.2x	16.0%
Casella Waste	14.5x	2.5x	18.0%
Mean	**14.5x**	**2.9x**	**19.1%**
Median	**14.5x**	**2.5x**	**18.0%**
High	19.0x	4.0x	24.0%
Low	10.5x	1.8x	15.0%
Implied EV (Median EV/EBITDA)	**218**		

Precedent Transaction Analysis

Industrial Sector M&A Transactions

Transaction	Year	EV/EBITDA	EV/Revenue
Roper / Neptune Technology	2022	16.5x	4.2x
Parker / LORD Corp.	2019	17.8x	3.5x
Fortive / ServiceChannel	2021	20.0x	5.0x
Emerson / AspenTech	2022	22.5x	8.5x
Illinois Tool / MTS Systems	2021	14.0x	2.8x
Ametek / Abaco Systems	2021	15.5x	3.2x
Roper / Vertafore	2020	19.0x	7.0x
Danaher / Cytiva	2020	25.0x	6.5x
Mean		**18.8x**	**5.1x**
Median		**18.4x**	**4.6x**
High		25.0x	8.5x
Low		14.0x	2.8x
Implied EV (Median EV/EBITDA)		**1,018**	

Sensitivity Analysis

Sample Corp

ENTERPRISE VALUE SENSITIVITY: WACC vs TERMINAL GROWTH

WACC \ TGR	1.5%	2.0%	2.5%	3.0%	3.5%
8.0%	577	628	688	761	849
9.0%	477	514	556	605	664
9.5%	437	469	**505**	546	595
10.0%	402	430	461	496	537
11.0%	344	365	388	415	444
12.0%	298	314	332	352	375

PRICE PER SHARE SENSITIVITY: WACC vs TERMINAL GROWTH

WACC \ TGR	1.5%	2.0%	2.5%	3.0%	3.5%
8.0%	$17.63	$19.68	$22.09	$24.99	$28.54
9.0%	$13.65	$15.12	$16.81	$18.78	$21.11
9.5%	$12.06	$13.31	**$14.75**	$16.41	$18.35
10.0%	$10.66	$11.75	$12.98	$14.39	$16.02
11.0%	$8.32	$9.16	$10.09	$11.15	$12.34
12.0%	$6.47	$7.12	$7.85	$8.66	$9.56

VALUATION METHODOLOGY COMPARISON

Methodology	EV ($M)	EV/EBITDA	EV/Revenue
DCF (SOTP)	557	10.1x	1.8x
Comparable Companies	924	16.7x	3.0x
Precedent Transactions	1,018	18.4x	3.3x
Selected (Blended)	759	13.7x	2.5x

SOTP Valuation Assumptions

Sample Corp

	2026E	2027E	2028E	2029E	2030E	Units
REVENUE GROWTH BY SEGMENT						
Precision Components Growth	3.0%	3.0%	3.0%	3.0%	3.0%	%
Automation Solutions Growth	12.0%	11.0%	10.0%	9.0%	8.0%	%
Industrial Services Growth	6.0%	6.0%	6.0%	6.0%	6.0%	%
EBITDA MARGIN BY SEGMENT (PROJECTED)						
Precision Components EBITDA Margin	19.5%	19.5%	20.0%	20.0%	20.0%	%
Automation Solutions EBITDA Margin	14.0%	14.5%	15.0%	15.5%	16.0%	%
Industrial Services EBITDA Margin	23.5%	23.5%	24.0%	24.0%	24.0%	%
SEGMENT ASSUMPTIONS (CONSTANT)						
Precision Components D&A % of Revenue	4.0%					%
Precision Components Capex % of Revenue	3.5%					
Precision Components NWC % of Rev Change	8.0%					
Automation Solutions D&A % of Revenue	3.5%					%
Automation Solutions Capex % of Revenue	5.0%					
Automation Solutions NWC % of Rev Change	10.0%					
Industrial Services D&A % of Revenue	3.0%					%
Industrial Services Capex % of Revenue	2.5%					
Industrial Services NWC % of Rev Change	6.0%					
WACC BY SEGMENT						
Precision Components WACC	9.0%					
Automation Solutions WACC	11.0%					
Industrial Services WACC	9.5%					
TERMINAL GROWTH RATE						
Precision Components Terminal Growth	2.0%					
Automation Solutions Terminal Growth	3.0%					
Industrial Services Terminal Growth	2.5%					
TAX & CORPORATE						
Effective Tax Rate	25.0%					
Net Debt (Total Debt - Cash)	72					*$M*
Unallocated Corporate Costs	8					*$M/yr*
Corporate Cost Capitalization Multiple	8.0x					
Shares Outstanding (M)	25.0					